

EXHIBIT C

OFFICE OF THE BANKRUPTCY ADMINISTRATOR
EASTERN DISTRICT OF NORTH CAROLINA

IN RE: . Case No. 18-03406-5-DMW
.
.
BRANDON SCOTT BAXLEY, . 300 Fayetteville St., Suite 130
.
Debtor. . Raleigh, NC 27601
.
August 15, 2018
.
. 9:30 a.m.

TRANSCRIPT OF 341 MEETING OF CREDITORS
BEFORE HOLMES P. HARDEN, ESQ.
CHAPTER 7 TRUSTEE

APPEARANCES:

For the Debtor: Barkley Law Offices, P.C.
By: W. TRAVIS BARKLEY, ESQ.
7413 Six Forks Road #306
Raleigh, NC 27615

For City National Bank: Poyner Spruill LLP
By: CHRISTOPHER H. ROEDE, ESQ.
P.O. Box 1801
Raleigh, NC 27602

For East Bay Company, Ltd.: Stubbs & Perdue, P.A.
By: JOSEPH Z. FROST, ESQ.
9208 Falls of Neuse Road, Suite 201
Raleigh, NC 27615

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I N D E X

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WITNESS

BRANDON BAXLEY

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1 COURT CLERK: Case Number 18-03406, Brandon Baxley.

2 MR. HARDEN: Appearances.

3 COURT CLERK: Appearances.

4 MR. ROEDE: Chris Roede for City National Bank.

5 MR. FROST: Joe Frost for East Bay Company.

6 COURT CLERK: May I see your identification?

7 MR. BARKLEY: ID and social security.

8 MR. BAXLEY: Sorry, it's bad.

9 COURT CLERK: Do you have your social --

10 MR. BAXLEY: I do.

11 COURT CLERK: Thank you.

12 BRANDON SCOTT BAXLEY, DEBTOR, PREVIOUSLY SWORN

13 EXAMINATION

14 BY MR. HARDEN:

15 Q State your name, please.

16 A Brandon Baxley.

17 Q Were you sworn in earlier?

18 A Yes.

19 Q Are the signatures on these bankruptcy documents your
20 signature?

21 A Yes.

22 Q Did you sign those in the presence of your attorney?

23 A I did.

24 Q Do you still live on Wake Forest Road?

25 A I do.

Baxley - Harden

4

1 Q Where do you work?

2 A Baxley Corporation.

3 Q Baxley Corporation?

4 A Mm-mm.

5 Q Is that in Raleigh?

6 A It is.

7 Q Have you ever been in bankruptcy before?

8 A No, sir.

9 Q Did you list all of your debts and all of your assets on
10 the schedule?

11 A Yes, sir.

12 Q Is anybody holding any property that belongs to you?

13 A No, sir.

14 Q Does anybody owe you any money?

15 A No, sir.

16 Q Have you sold or given away any property in the last four
17 years?

18 A No, sir.

19 Q Did you read the information sheet that was handed out
20 earlier?

21 A I did.

22 Q Did you understand that?

23 A Yes.

24 MR. HARDEN: Social and photo check out?

25 COURT CLERK: Yes.

Baxley - Harden

5

1 Q Do you intend to perform, according to your statement of
2 intentions?

3 A I'm sorry, I couldn't hear.

4 Q Do you have any secured debt; car, house?

5 A No, no.

6 Q Did you file a statement of intention?

7 MR. BARKLEY: Yes, I believe we did.

8 MR. HARDEN: You sure?

9 MR. BARKLEY: Statement of intention. I have one
10 here. But there was no -- he has no assets.

11 MR. HARDEN: There's not --

12 MR. BARKLEY: It's a no asset case.

13 Q Do you pay child support?

14 A No, sir.

15 Q And did you understand about life insurance, inheritance,
16 property settlements and the 180-day reporting period?

17 A Yes, sir.

18 Q Okay. Tell me why you owe \$3,500,000 to three of your
19 creditors, including two banks?

20 A When the real estate bubble --

21 Q Speak up a little bit, sir.

22 A -- when the real estate bubble burst, I had personal
23 guaranteed loans and the banks got the real estate and then
24 they pursued judgments against me, so that's what this is.

25 Q So, these were loans to whom?

Baxley - Harden

6

1 A The City National was bought by the bank that went under,
2 I can't remember the name of the bank. East Bay Company bought
3 a loan from Regions Bank.

4 Q The loans are for what?

5 A Real estate.

6 Q Construction?

7 A Partly. One was construction, one was a construction and
8 -- two were construction and one was a building that was being
9 rented out.

10 Q And what, to buy a building that was renovated?

11 A It was being rented out, yeah.

12 Q You bought the building with the loan?

13 A Yes.

14 MR. BARKLEY: Investment property.

15 THE WITNESS: Yes. So, they were personal
16 guarantees. So, the banks got the assets and then pursued --

17 Q Okay. And how were you able to borrow that much money?
18 You don't have any assets, really, except a small IRA?

19 A And this was ten years ago.

20 MR. BARKLEY: He was in a different financial
21 position ten years ago.

22 Q What was your condition ten years ago?

23 A The market was stronger, you were able to build, borrow
24 money and build buildings and sell them or rent them.

25 Q You had other assets at that time?

Baxley - Harden

7

1 A I did.

2 Q What happened to those?

3 A Most of them got foreclosed on.

4 Q Okay. So, is it your testimony consistent with what you
5 showed in the schedules and statement of financial affairs that
6 you haven't transferred any property in the last two years?

7 A No, no.

8 Q Okay. What about the last four years?

9 A No, I haven't.

10 Q Okay. Who owns the place where you live?

11 A My wife.

12 Q And how long have you lived there?

13 A Five years.

14 Q When did she take title to it?

15 A When we bought it five years ago -- when she bought it
16 five years ago.

17 Q And where did you live before that?

18 A Wake Falls Drive.

19 Q White Falls?

20 A Wake.

21 MR. BARKLEY: Wake.

22 Q Wake. Is that in Raleigh?

23 A It's a Wake Forest address, but it was Raleigh, yes. Wake
24 Forest mailing address.

25 Q And does your wife make \$6,250 a month?

Baxley - Roede

8

1 A Yes.

2 Q What does she do?

3 A She works for White & Madden (phonetic).

4 Q Doing what?

5 A Fund raising.

6 Q Does she have any other income?

7 A No.

8 MR. HARDEN: Okay. Questions from creditors?

9 EXAMINATION

10 BY MR. ROEDE:

11 Q You say you work at Baxley Corporation, what's your role
12 there?

13 A Right now I'm scheduling.

14 Q Scheduling?

15 A Scheduling work.

16 Q Okay. So, do you own Baxley Corporation?

17 A I do not.

18 Q What's your title with them?

19 A Scheduling. I handle scheduling. I don't know that
20 there's a title.

21 Q Okay. There was a complaint that was filed against you in
22 Wake County Court from an insurance company, against you and
23 Baxley Corporation for non-payment of insurance for motor
24 vehicles.

25 A Yes, I got served with that last week.

Baxley - Roede

9

1 Q Okay. So, if you're just doing scheduling why are they
2 serving you on a corporate case?

3 A That was my question, as well.

4 Q Okay. So, you have no ownership interest in Baxley
5 Corporation?

6 A I do not.

7 Q How about Commercial Holdings Corporation?

8 A Commercial Holdings Corporation is gone.

9 Q Okay. You have no ownership interest in that?

10 A No.

11 Q It was administratively dissolved 2/28 2018, were you a
12 manager or member of that company?

13 A No.

14 Q Do you have any involvement in the operations of that
15 company?

16 A I do not.

17 Q Okay. Do you recognize this complaint, this is Commercial
18 Holdings Company versus Jeffrey (indiscernible) known as
19 Nello's Italy, LLC?

20 A I do.

21 Q There's an affidavit attached to this complaint. It says
22 that I'm a member of Commercial Holdings Company, LLC and its
23 manager. Signed by Brandon Baxley, is that your signature?

24 A It is.

25 Q So, that's less than two years old?

Baxley - Roede

10

1 A It is.

2 Q And you no longer own that company?

3 A I do not.

4 Q And you haven't transferred it in the last two years?

5 A I have not.

6 Q So, what happened to your ownership interest in that
7 company?

8 A The company was dissolved, it's gone. The company -- it's
9 gone.

10 Q So, what happened to its assets?

11 A There were no assets.

12 Q Well, it says that you owned (indiscernible) Nello's
13 Italy, LLC, so that's one asset?

14 A Yes. And Nello's Italy is gone.

15 Q So, when it was gone were you -- I mean, so this company
16 just went away?

17 A Yes.

18 Q Okay. What about Baxley Tree Services under Baxley
19 Corporation?

20 A There is no such thing as Baxley Tree Services.

21 Q I've got web printouts here that show Baxley Tree Services
22 it shows it selling tree services. I've got copies of contract
23 awards to Baxley Corporation. Baxley Corporation is awarded --
24 Baxley Tree Services, North Carolina. This website is not
25 available any more, I had to go back to internet archives to

Baxley - Roede

11

1 find it.

2 MR. BARKLEY: Can I see what you're showing him?

3 Q So, do you know anything about Baxley Tree Services, what
4 that website is?

5 A Baxley Tree Services is not a company. I do not know what
6 Baxley Tree Services is.

7 Q Did you do any work for them, have you ever --

8 A No.

9 Q Durham County awarded Baxley Corporation the contract for
10 tree removal for \$160,000 on April 15th, 2017, do you know
11 anything about that?

12 A Yes.

13 Q Okay. So what's the story there?

14 A Can you be more specific?

15 Q You said -- what's the status of that award? Has that
16 work been done by Baxley Tree Service?

17 A Yes.

18 Q Okay.

19 A By Baxley Corporation.

20 Q Okay.

21 A Baxley Tree Services is not something I'm involved with so
22 I have no idea what that is.

23 Q Okay. With Baxley Corporation you don't receive any
24 compensation for your duties?

25 A I do not.

Baxley - Frost

12

1 Q So you just schedule work for them out of the kindness of
2 your heart?

3 A Yes.

4 MR. ROEDE: Okay.

5 MR. BARKLEY: Do you have anything?

6 MR. FROST: Yeah.

7 EXAMINATION

8 BY MR. FROST:

9 Q Mr. Baxley, my name is Joe Frost, I'm representing East
10 Bay Company here. Where is the house that you own located?

11 A I don't own a house.

12 Q Or you wife owns, I'm sorry?

13 A It's in Raleigh.

14 Q What part of Raleigh?

15 A Downtown, Mordecai.

16 Q Morkey -- (pronouncing name). I can't ever remember how
17 to say it.

18 A Mordekey (pronouncing), yeah.

19 Q Who owns Baxley Corporation?

20 A Baxley Corporation is owned by my wife and my father.

21 Q And what's your father's name?

22 A Rudolph Baxley.

23 Q And what's your wife's name?

24 A Martha Baxley.

25 Q And do you have a brother?

Baxley - Frost

13

1 A I do.

2 Q What's his name?

3 A Barrett Baxley.

4 Q On your petition it says here that you don't own any real
5 property, is that right?

6 A That's correct.

7 Q Is that true that you don't own any real property?

8 A Yes.

9 Q All right. You don't own a piece of real property in
10 Cumberland County with your brother Barrett Christian Baxley?

11 A No, I do not.

12 Q All right. I'm going to show you what's reflected on the
13 record there. It says quitclaim deed Constance Autry Baxley
14 and Rudolph Baxley, Jr., is that correct, the grantor of this
15 quitclaim deed?

16 A It does.

17 Q And who are the grantees on this deed?

18 A Oh, Brandon Scott Baxley and Barrett Christian Baxley.

19 Q Your middle name is Scott, right?

20 A It is.

21 Q And you're the son of Constance and Rudolph Baxley?

22 A I am.

23 Q Is the PO Box for you mom and dad in Fayetteville, PO Box

24 --

25 A I have no idea what their PO Box is.

Baxley - Frost

14

1 Q Okay.

2 A My parents don't live in Fayetteville.

3 MR. BARKLEY: Brandon, were you aware of this
4 conveyance?

5 THE WITNESS: No.

6 MR. FROST: I'm asking the questions, okay? You'll
7 have a chance.

8 A But the answer is no, I was not.

9 Q What kind of car do you drive?

10 A I drive a BMW.

11 Q Okay. And who owns that vehicle?

12 A Baxley Corporation.

13 Q Okay. And who pays to put gas in it?

14 A Baxley Corporation.

15 Q Okay. So you don't own any vehicles, is that correct?

16 A I do not.

17 Q Would it surprise you that a 2006 GMC Sierra Crew Pickup
18 with the last four VIN of 6556 is registered in your name,
19 Brandon Baxley with the North Carolina Department of Motor
20 Vehicles?

21 A Yes, it would.

22 Q Okay. Have you ever owned a 2006 GMC Sierra?

23 A No.

24 Q You've never owned that vehicle?

25 A Well, no -- 2006 -- no, I have not.

Baxley - Frost

15

1 Q Never.

2 A No. And it's titled in my name, in North Carolina? Can I
3 see that, please?

4 Q No.

5 A Okay.

6 Q Are you the beneficiary of any trusts?

7 A I am not.

8 Q Are you aware of any trusts set up by your mother and
9 father?

10 A I am not.

11 Q On your schedules you don't list a current bank account,
12 is that right?

13 A That's correct.

14 Q You actually do not have a bank account?

15 A I actually do not have a bank account.

16 Q When did you last have a bank account?

17 A I don't recall, it's been more than seven or eight years.

18 Q Okay. So, you never had a bank account at BB&T?

19 A No.

20 Q Never had a bank account at Wells Fargo?

21 A Not within the last five or six years, no?

22 Q What about Chase?

23 A No.

24 Q Were you aware that a federal tax lien was filed against
25 you by the Internal Revenue Service?

Baxley - Frost

16

1 A No.

2 Q Do you owe any taxes to the --

3 A Not that I'm aware of.

4 Q Were you involved with Baxley Commercial Properties, LLC?

5 A Yes.

6 Q Were you the subject of a lawsuit that was filed against
7 you personally and Baxley Commercial Properties by Lowcountry
8 Endodontics, P.A.

9 A Yes.

10 Q And that was around 2008, right?

11 A I don't remember.

12 Q They received a judgment in that case?

13 A I don't remember.

14 Q Were you also involved with Baxley Development Inc.?

15 A Yes.

16 Q What was your position there?

17 A President.

18 Q Is it no longer operating?

19 A Correct.

20 Q Were you also involved with Baxley Development, Inc.?

21 A Yes.

22 Q And what was your position there?

23 A President.

24 Q Is it no longer operating?

25 A Correct.

Baxley - Frost

17

1 Q With respect to Baxley Corporation, on your schedules you
2 actually don't list any income, is that correct?

3 A That's correct.

4 Q Q What source of benefits do you receive from Baxley
5 Corporation?

6 A Helping my wife and my father. I don't receive any
7 benefits.

8 Q It pays for the gas in your car, right?

9 A When I'm using the car for work.

10 Q Did it pay for the gas for you to come down here?

11 A I walked.

12 Q From Wake Forest Road?

13 A Yes, it's right down the street.

14 Q Okay. What is your affiliation with Baxley Construction
15 Company?

16 A It's my parents company. I'm listed as secretary on the
17 -- as the company -- secretary of the company. The company
18 doesn't operate.

19 Q It's -- it doesn't operate?

20 A There's no -- it does not do any work, no.

21 Q Are you aware that in January of this year a reinstatement
22 was filed to make the company operating again?

23 A Yes.

24 Q So when you just said that it was not operating, that's
25 not true.

Baxley - Frost

18

1 A There's no operations underway of that company.

2 Q But they're anticipated in the future.

3 A I don't know.

4 Q Do you own any interest in Baxley Construction Company?

5 A I do not.

6 Q You didn't list any amounts owed to the IRS on your
7 bankruptcy schedule, is that correct?

8 A That is correct.

9 Q You also did not list any debts owed to Lowcountry
10 Endodontics, P.A., is that correct?

11 A I was not aware of a debt to Lowcountry Endodontics, P.A.

12 Q You were aware that they sued you, right?

13 A I was aware that they sued Baxley Commercial Properties.
14 I was not aware that they sued me personally.

15 Q And how were you aware they sued Baxley Commercial
16 Properties?

17 A Because I got served with the lawsuit.

18 Q If that lawsuit had your name on it personally, you just
19 didn't notice it?

20 A I didn't see it, no, sir.

21 Q What about Regions Bank, you didn't list Regions Bank on
22 here, correct?

23 A Regions Bank sold the note to your client, sir.

24 Q There's two separate judgments, correct?

25 A Not that I'm aware of.

Baxley - Barkley

19

1 MR. HARDEN: Okay. We need to sort of wrap this up
2 pretty quick, so we can move on.

3 A Not that I'm aware of with Regions Bank.

4 MR. FROST: That's all the questions I have.

5 MR. HARDEN: Okay.

6 MR. BARKLEY: And just for clarification, Mr. Harden.

7 EXAMINATION

8 BY MR. BARKLEY:

9 Q Brandon, for the record you were not aware of this
10 conveyance?

11 A No.

12 Q In Cumberland County?

13 A I was not.

14 Q And you're not a signatory to that conveyance.

15 A No.

16 Q That's not your name?

17 A No.

18 MR. BARKLEY: Okay.

19 MR. HARDEN: Tell me, again, who you represent.

20 MR. ROEDE: I represent City National Bank.

21 MR. HARDEN: And you, sir?

22 MR. FROST: East Bay Company.

23 MR. HARDEN: Okay. I'll followup with you guys.

24 MR. FROST: Okay.

25 MR. HARDEN: That concludes the 341.

MR. BAXLEY: Thank you.

* * * * *

C E R T I F I C A T I O N

I, ELAINE HOWELL, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter and to the best of my ability.

/s/ Elaine Howell

ELAINE HOWELL

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